

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
March 8, 2016

3:00 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING

Mayor Richard F. Brunst

ELECTED OFFICIALS

Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Paul Goodrich, Transportation Engineer; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

BUDGET DISCUSSION/PREVIEW – Revenue and Compensation

Mr. Manning presented the first of several budget discussions about the City's revenues and compensation. He said the local economy was strong, and Utah County led the nation in job creation. Unemployment was low, and wages were growing both locally and nationally. He said as employment and wages grew, household spending would flow. Inflation was growing toward the Federal Reserve's 2 percent goal, currently at 1.7 percent. He said the downside was China's economy was slowing down, and Europe continued to be stagnant. Depressed oil prices were a drain on the national economy, which continued to fluctuate. He said he had been talking with Mr. Spencer and asked him to share his perspective.

Mr. Spencer said his business was imports/exports with brokers around the world. He had been watching the shipping patterns and was concerned that the patterns were very closely matching the patterns in 2007-2008 before the economic downturn. There could be a false sense of hope in where the economy was, because his experience and the information he had pointed to trouble in the near future.

Mr. Manning said historically they were overdue for a dip in the economy. Human nature would assume circumstances would remain the same even those the only constant was change.

He said then explained how the City's finances were run through a series of funds. The General Fund encompassed the core City services such as police, fire, ambulance, parks, streets, etc. Finances for the utilities were run through enterprise funds, so they stood on their own and were self-supporting. There were several internal service funds to account for things such as self-insurance, warehouse, IT, etc.

In response to a query from Mr. Macdonald about General Fund and enterprise fund monies moving back and forth, Mr. Manning said some of those transfers were the City reimbursing itself. An example would be water used in City parks. Mr. Davidson added that said transfers typically were only for water, sewer, storm water, and street lighting funds, where the City was paying its bill and transferring the funds back.

Mr. Manning reviewed individual revenue sources that contributed to the General Fund, categorized into taxes, fees, fines, licenses, and grants. He said they had been conservative in their estimates of increase for the General Fund, projecting an increase of approximately \$1.25 million. A reason for the conservative projection was that police tickets and court fees were trending down, which was an issue nationwide.

Mr. Davidson noted that calls for police service had increased over the last ten years, but they currently had fewer officers to respond than ten years ago. Officers were more likely to go from call to call and had less time to monitor traffic. He said they were requesting additional officers to address that trend.

Mr. Manning reviewed City General Obligation (GO) bond amounts available to convert to regular property tax through to FY '25. He said the length of the longest bond was UTOPIA, which went out to 2040, with Siemens as the second longest, going out to 2031. He went over information about sales tax, saying building-related sales tax was showing strong growth while retail and clothing sales were shrinking. That was because of other available options like online shopping. He said building and home furnishing sales went hand in hand, and automobile sales were increasing in importance to the City. General sources like grocery and supermarket stores typically made up the rest.

Mrs. Lauret asked if the retail would see a bump as the mall continued to expand and improve. Mr. Manning thought there would be a bump, but they had not projected localized growth there.

Mr. Sumner asked if the new RC Willey location would show a bump at the mall. Mr. Manning said RC Willey's move to the mall had been mutually beneficial to them and the City. Mr. Davidson commented that Woodbury representatives had collected data showing that RC Willey's busiest entrance was the mall corridor.

Mrs. Lauret asked if there was a dollar amount a police officer could bring in to essentially cover the costs for their salary.

Chief Giles said they did not see things that way, that tickets were a penalty for behavior and not a revenue stream. Officers were not assigned dollar amounts or given quotas to meet. He said a traffic officer could potentially average between 100-150 tickets a month, whereas a patrol officer could average between 25-30 tickets a month.

Mr. Davidson added that fees and fines for various charges were set by the State, and a portion of those revenues were returned to the State. Another portion was used to pay the high operational costs of having a city justice court. They had never discussed revenues brought in by police or court services with the police or with the Judge.

Mr. Manning showed revenues in the water, sewer, and storm water utilities, as well as those from the Orem Fitness Center and the Scera Pool. He said employee compensation and development had been a Council objective from last year. He reviewed the plan, noting that they would use a market-driven plan to attract and retain good quality employees, and increase of pay would be based on merit and not longevity. Many cities had moved away from considering Cost of Living Adjustments (COLAs). He said the salary to benefits was split 65-35. He shared information about employee salary increases from other Utah cities.

Mr. Macdonald asked if any employees were under a defined benefit. Mr. Davidson said everyone was under defined benefit.

Mr. Lentz asked what percentage of employees earned merit increases. Mr. Davidson said last year was the first year they had implemented the system, and Mr. Manning added that over 50 percent of employees had received a 3 percent increase or more, and some of those that had not were new hires. He said they followed a market pool to make sure the salaries were in line.

Mr. Davidson said it had become a source of discussion and frustration for many jurisdictions. Recruiting employees had been difficult, particularly public safety employees because retirement plans had changed from twenty years of service to twenty-five years. Some were suggesting that the retirement plan was a disincentive to go into those fields.

Mr. Manning reviewed information about the employee insurance health plans, which were both high deductible plans. They had switched from Select Health to United Health Care. They had seen a 6.93 percent reduction in premiums from 2015, and in light of that had given employees a small Christmas bonus.

Mr. Davidson reminded the Council that they would continue to have budget discussions during work sessions moving forward. He encouraged them to reach out to Mr. Manning and his staff if they had questions they wanted addressed.

DISCUSSION – Provo/Orem TRIP Update

Mr. Goodrich introduced Lori Labrum, Kevin Farley, and Greg Graham with AECOM, and Janelle Robertson with UTA. He said they had been calling this project the BRT or Bus Rapid Transit project, but it encompassed much more than that. The project involved Provo, Orem, Utah County, UTA, UDOT, and MAG, and covered much more than extra lanes for bus travel. The project would now be known as the Provo/Orem TRIP (Transportation Improvement Project). He said the City Council approved a resolution in 2008 that included specifications for a BRT project, which staff had used as a guideline. Mr. Goodrich said landscaping was an amenity, and as much as possible they were going to move the sidewalk back and buffer it from the street. UDOT was involved for intersection improvements, adequate shoulder widths, etc. He said the idea for landscape replacement had initially been a 1:1 ratio, but that would result in a loss of approximately 800 parking stalls along University Parkway. There needed to be a balance in the landscaping while still maintaining parking stalls.

Mr. Davidson said retailers in the area had specific parking requirements in their lease agreements, so there were many parties involved in shaping this project. Some landowners were frustrated at the possibility of losing parking stalls. Mr. Goodrich said losing parking stalls

started conversations on renegotiating lease agreements. The current plan eliminated approximately 141 parking stalls.

Bill Knowles, Business Community Liaison with UTA, said he had spoken with the larger businesses along the University Parkway corridor. He said there was some frustration from those businesses as they had their own parking standards they hoped to maintain, but most had been supportive of the project. He said the number of eliminated stalls would never be zero, but they would try to work with retailers to achieve a reasonable balance.

Mr. Goodrich added that while landowners had been opposed, actual tenants had been much more supporting of the improvement project.

Ms. Labrum thanks staff for the hours they had given to the project. She recognized that this may potentially be a painful process, but they were trying to make it as easy as possible. They hoped to incorporate the following into the landscaping plan:

- Consistent tree coverage through the corridor
- Variety of planting materials
- Decorative retaining walls
- Sidewalk with stamped concrete
- Landscape lighting
- Decorative hand rails

Mr. Graham said the inclusion of hand rails would meet ADA requirements in specific areas. He said there were many factors to consider when it came to trees and planting materials, like soil volumes and the width of the park strip for healthy growth. He said a typical urban tree planting was for thirteen years, but thought they could plant trees with closer to fifty-year lifespans.

Ms. Labrum said this was a critical time for the project. The specific details still needed to be worked out, and there were requirements laid out by the City Council in the 2008 Resolution they wanted to meet.

Slides were presented, showing various lighting, hand rail, decorative wall, and planting material possibilities. A 3D simulation of the proposed landscaping plan was shown. Consultants reviewed the details of a given portion of University Parkway with graphics and overhead maps.

Mr. Davidson said this was a report to the Council on the project so far, and deciding specific planting materials and design preferences would be forthcoming. He said there were many aspects to consider in the way of maintenance as well. For example, it would not be practicable to have grass that would need mowing in strips down the middle of the parkway.

Subsequent Council discussion included the following issues:

- Landscaping maintenance
- Number and possible location of future stations
- Planting materials and xeriscaping
- Loss of parking for auto dealerships
- Visibility with tree coverage
- Safety issues

- Bus lanes
- Irrigation issues and environmental impact
- Ingress and egress along the parkway

Mr. Goodrich said it was not uncommon to require landowners to maintain the landscaping, and used the example of Sandy City in which approximately 90 percent of landowners maintained their landscaping. He said xeriscaping had not been particularly popular at open houses, and that people preferred landscaping generally.

Ms. Labrum said the plantings created a buffer between the traffic and the pedestrians, and made the parkway feel safer and more walkable for pedestrians. She said a typical cross section would have a ten-foot park strip, and may likely include a low decorative wall separating the retailers from the sidewalk. The goal was to get the 10-foot park strip in as many places as possible, and use flexible design elements to create a similar feel in the areas where a ten-foot park strip would not be possible. She said shoulders near auto dealerships would remain, allowing potential customers to park there.

Mr. Farley said they had looked at views with tree plantings and were careful not to create blockage or safety hazards. He said the trees may create a shadowy canopy at night, which was one reason they were considering decorative up-lighting. Mr. Farley said they were also looking at the irrigation system, but did not have details at this time.

Mr. Goodrich said they were planning on three stations along the corridor, with a fourth by UVU's campus. He said the station at the campus would go through the roundabout at 1200 West. He said there would be a dedicated bus lane with stations in the road median, and would have designated traffic signals allowing for left turns and such.

Ms. Labrum said existing bus routes would be considered as well. She said they were planning to impact ingress and egress as little as possible, with some obvious impact on median left turn opportunities.

Mr. Goodrich said the removal of parking spaces was not being done lightly, but the hope was as ridership increased that fewer cars would be on the road and therefore fewer parking stalls would be needed. There were zoning setback requirements in the PD zones that would also need to be considered, as well as modifications for bicycle trails.

Mr. Knowles said some businesses had concerns about their frontage or signs being hidden by the tree canopy. He said the placement of trees would help with that, and that the main comment he heard was about balancing the traffic of the parkway with a welcoming landscaping. Landowners had signed off on landscaping when they entered their leases, and the hope was that changes would not be dramatically different than what existed currently but was improved.

Mr. Davidson said decisions of planting materials would be critical considerations for visibility. There had also been some concern about the decorative walls, but they would not be a height to block any view. They were a buffer instrument to allow for better walkability. The tallest proposed walls were areas around University Place mall.

Mr. Graham said similar landscaping could be seen in Salt Lake City, with decorative lighting, hand rails and decorative walls, and other amenities. He said 400 South in Salt Lake City was a prime example.

Mr. Goodrich provided scroll landscaping plots to the Council, and encouraged them to send any questions and feedback they had to him or the project consultants.

DISCUSSION – City Council Outreach

Mr. Downs asked the Council for clarification regarding their discussions on City Council/public outreach, particularly the suggested town hall meetings. He said they ran into open meeting issues when all seven Council members were at a given meeting which required additional staff and support. He also said that having a full quorum might take away from the informal, open question-and-answer feel they were hoping the meeting to have. He suggested having two or three members of the Council at a meeting, but no more than three, and that they rotate in assignments to attend those meetings so each had the opportunity to participate.

Mayor Brunst said he thought that was a good suggestion, and said he would like to present at all the meetings. He thought the town hall meetings should be held quarterly at elementary schools throughout Orem. He hoped it would be an open dialogue format for residents to get to know the Council.

Mr. Lentz said having only two or three councilmembers at a meeting was good because then they would not be competing with each other to answer questions. He suggested having a member of Orem executive staff attend as well, so the public got to know department heads and staff they may otherwise have never interacted with.

Mrs. Lauret suggested that newer members of the Council be paired with longer-serving members.

Mr. Seastrand said it might be worthwhile to reach out to neighborhood chairs for the town hall meetings.

Mr. Downs said his second clarification request was for the “ask me anything” opportunities they had suggested. He inquired if their intent was to have that done through social media. He also asked if they wanted those to be limited to the Council or include staff on rotation, so people could ask technical questions and receive specific answers.

Mr. Lentz thought social media would be a good way to conduct the “ask me anything” outreach.

Mayor Brunst said it would be good to have robo-calls go out to tell people about the town hall meetings, and they could rotate who was leaving the message.

Mr. Davidson said there were many ways to inform people about town hall meetings, above and beyond robo-calling.

5:00 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING

Mayor Richard F. Brunst

ELECTED OFFICIALS

Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Paul Goodrich, Transportation Engineer; Neal Winterton, Water Division Manager; Reed Price, Maintenance Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

Preview Upcoming Agenda Items

Staff presented a preview of upcoming agenda items.

Agenda Review

The City Council and staff reviewed the items on the agenda.

City Council New Business

There was no City Council new business.

The Council adjourned 5:56 p.m. to the City Council Chambers for the regular meeting.

6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS

CONDUCTING

Mayor Richard F. Brunst

ELECTED OFFICIALS

Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director;

Jason Bench, Planning Division Manager; Steven Downs, Assistant to the City Manager; Pete Wolfley, Communications Specialist; and Jackie Lambert, Deputy City Recorder

INVOCATION /

INSPIRATIONAL THOUGHT Kat Bleyl

PLEDGE OF ALLEGIANCE Kaden Bleyl

APPROVAL OF MINUTES

Mr. Spencer **moved** to approve the February 5-6, 2016, City Council Retreat minutes. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

Mr. Spencer **moved** to approve the February 9, 2016, City Council meeting minutes. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

Mr. Spencer **moved** to approve the February 23, 2016, City Council meeting minutes. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

Appointments to Boards and Commissions

Mrs. Lauret **moved** to appoint Sally Taylor to the Beautification Advisory Commission. Mr. Sumner **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

Mrs. Lauret **moved** to appoint Chitralekha Duttgupta to the Library Advisory Commission. Mr. Sumner **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

CITY MANAGER'S APPOINTMENTS

Appointments to Boards and Commissions

There were no appointments to boards and commissions.

PERSONAL APPEARANCES

Mayor Brunst expressed condolences to the Longhurst family, who recently lost their 11-year-old son, Eric, who was hit by a car while crossing a street.

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

Bob Wright, resident, wanted to speak about the Sewer Master Plan, which he felt should be a public hearing since it pertained to monthly increases to the citizens. He remarked that many Orem citizens were having difficulties making ends meet financially, and that the proposed increases were exorbitant. Mr. Wright argued that the citizens were already paying for this service, and felt that projects such as sewer and pipe replacements could be accomplished on a pay-as-you-go basis. He stated that the City received millions of dollars in income from sales, property, and franchise taxes. Mr. Wright asked the City Council to reconsider the proposed rate increases that had been outlined in the Sewer Master Plan.

Sam Taylor, resident, stated that he moved to the area from Boston and could have moved anywhere in Utah, but he and his family chose to move to the Sunset Heights neighborhood because it was such an attractive neighborhood. A few weeks after they purchased their home, they learned about the possibility of a rezone that would allow for the development of a high-density student housing apartment complex. After considering the implications that this type of development would have on his family, he had determined that the apartment complex would have a negative impact on the neighborhood for a number of reasons. As such, he and his wife wanted to add their voices to those who were in opposition of the proposed rezone and possible development that might occur as a result of that decision.

CONSENT ITEMS

MOTION – Reschedule the March 22, 2016 City Council Meeting to March 29, 2016

Mr. Macdonald **moved** to reschedule the March 22, 2016, City Council meeting to March 29, 2016. Mr. Spencer **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

SCHEDULED ITEMS

6:10 P.M. PUBLIC HEARING – Rezone PD-22 and R8 to HS zone – 1045 North 1200 West

ORDINANCE – Amending the General Plan by changing the land use designation on approximately 0.47 acres from Low Density Residential (LDR) to Regional Commercial (RC) and amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning approximately 1.83 acres of property located at 1045 North 1200 West from the PD-22 and R8 zones to the Highway Services (HS) zone

Mr. Bench presented the applicant's request that the City amend the General Plan by changing the land use designation on approximately 0.47 acres from Low Density Residential (LDR) to Regional Commercial (RC) and amend Section 22-5-3(A) and the zoning map of the City of Orem by zoning approximately 1.83 acres of property located at 1045 North 1200 West from the PD-22 and R8 zones to the HS zone.

The applicant proposed to construct a new office building with 21,500 square feet on property at 1045 North 1200 West. The property on which the development was proposed consisted of two separate parcels. The first parcel was located on 1200 West directly north of BJ's Plumbing at 1045 North and was currently zoned PD-22 (Northgate). The second parcel was located directly north of and adjacent to the first parcel. The second parcel was currently zoned R8 and had access from a residential cul-de-sac (1160 West).

There were a number of elements related to the current zoning that the applicant wanted to change in order to develop the property as desired. The first issue concerned parking. The PD-22 zone required five stalls per thousand square feet which was a higher standard than the City's other commercial zones which typically required four stalls per thousand square feet. The lower parking standard of the HS zone (which would require 22 fewer stalls for a building of this size) would enable the applicants to add an additional 5,000 square feet of space in a basement level which they would otherwise be unable to do.

Rezoning the property to HS would also grant the applicant greater flexibility with regards to architectural style and exterior finish materials. The PD-22 zone required buildings to comply with a Tuscan architectural style and exterior finish materials. The HS zone would simply require that the building be finished with brick, fluted block, colored textured block, glass, synthetic stucco and/or wood.

The applicant also desired to rezone the second parcel from R8 to HS so that it could be used as parking area for the office building. The grade of this second parcel would be lowered substantially so that its use as parking would have a reduced impact on the adjoining residential lots. The access to this lot from the cul-de-sac would be eliminated and it was anticipated that the area of the access would be conveyed to the adjoining residential lots.

The applicant's proposed development would require considerable grading on the property due to the existing slope. Formal approval of the grading plan would be required prior to site plan approval.

A neighborhood meeting regarding the proposed rezone was held on December 10, 2015, at the City Center with three people in attendance. At the meeting the proposed site plan was shown and the need for the residential lot for parking was discussed. The two neighbors adjacent to the residential parcel were concerned with the existing access from the cul-de-sac that they used to access their backyards and whether the project would be accessed from the cul-de-sac. They were informed that the project will not be accessible from the cul-de-sac and the stem of the flag lot would be deeded to the adjacent property owners to maintain their backyard access.

No issues from residents were expressed during the Planning Commission public hearing on February 17, 2016.

The traffic study for the project showed that rezoning the residential property to a commercial use would allow for a larger building and the increase in trip generation would be minimal (extra 44 trips.)

The Planning Commission recommended the City Council amend the General Plan by changing the Land Use designation on approximately 0.47 acres from Low Density Residential (LDR) to Regional Commercial (RC) and amend Section 22-5-3(A) and the zoning map of the City of Orem by zoning approximately 1.83 acres of property located at 1045 North 1200 West from the PD-22 and R8 zones to the HS zone. City staff supported the Planning Commission recommendation.

Mr. Bench presented the staff report, as well as an aerial map of the property in question, which he noted was located near Winco and BJ's plumbing. He explained that the residential portion of the property was a deep lot, and was not part of the request. Rather, this portion would be deeded to the two existing residential properties that were located to the east and west.

The applicant was requesting the Highway Services Zone (HS), because it would allow for up to almost 27,000 square feet of usable space. There was a significant slope between the upper level of the residential area and the lower area where the office building would be located. Therefore, a retaining wall would be put in as part of the project in order to match the existing 1200 West elevation. This would prohibit access into the residential zone and would create a separation between the two areas. Mr. Bench reviewed the proposed elevations. The rezone application was posted on www.mysidewalk.com, and as of yesterday nine people had responded; seven individuals were in favor the proposal, whereas two people were opposed. Another suggestion was made to bring the building out and create a more walkable area.

Mr. Macdonald asked if the applicant was present. The applicant identified himself and came forward to the podium. Mr. Macdonald asked what kind of tenants they were anticipating would occupy the building. He did not want to see parking in the neighborhood if the structure could not support it.

Boyd Brown explained that the proposed building would be primarily owner occupied. The nature of the business was a residential real estate firm and they had been operating for nine years in the Northgate Village. Mr. Brown stated that he was very familiar with the area and the parking requirements. There were a few times when all nine of the real estate agents would be in the office at the same time. There were a few times per week when the building was used for meetings and training purposes. They would prefer to have five parking stalls per 1000 square feet, so as to create separation from Northgate. They planned on finishing half the basement for training activities, a break room, and a place for functions. Since this would be usable space, then they needed to have sufficient parking in order to obtain the building permit. Mr. Boyd explained that they would occupy the upper two floors; in other words, 21,000 square feet and 70 percent of the building. Other title and mortgage tenants would rent the remaining portion of the building on the main floor. Currently the proposal was for four stalls per 1000 square feet, for a total of 108 parking stalls.

Mr. Macdonald asked Mr. Brown if he was comfortable with having four stalls per thousand square feet, to which Mr. Brown answered affirmatively. Almost every other zone in the City required four stalls per thousand square feet, with the exception of retail which was five stalls per

thousand square feet. Mr. Bench added that the majority of the City's office zones had a parking requirement of four stalls per thousand square feet.

Mr. Lentz had questions related to the use of the basement, and asked if the spike in activity would cause parking issues. Mr. Brown replied that the few times per month in which parking would be used to full capacity would be during training activities. However, he did not believe that this would create problems with over-parking. They would be well in excess of the parking requirement, and would be closer to having five stalls per thousand square feet. Mr. Lentz asked if the training activities would only be for the people who already worked in the office space, or if people would be brought in from outside. Mr. Brown answered that activities would involve all of the agents who worked for the company, including those who worked in the office building as well as those who were based out of a home office. They hoped and anticipated that the training activities would be well attended so that all of the company's agents could have a chance to connect on a regular basis. Tickets would not be sold to public for any of the activities that would take place in the facility.

Mr. Lentz asked Mr. Bench if they would run into any issues if the basement was eventually converted into additional office space with desks and cubicles. Mr. Bench explained that the parking was calculated based on square footage; therefore, they would have the option of converting that basement space if they so choose.

Mr. Seastrand commented that the purpose of PD zones was to maintain a consistent look and feel in a given area. He stated that the applicant's building design was different from the rest of the neighborhood.

Mr. Brown said he was not a huge fan of the Tuscan style. He preferred the HS zone, and the barrier created between the PD Zone at Northgate Village. He said he wanted to design a building that was more unique and stood out. He used photos of the Jordan Heights office building to show that the proposed building would be very similar in style and esthetic. Mr. Seastrand explained that part of the challenge was to establish design standards that would create a consistent look throughout developments in the area.

Mrs. Lauret asked if by adding another commercial building on 1200 West traffic would be of great concern. Mr. Bench replied that the applicant was required to have a traffic study conducted, and it was included in the application packet. According to the traffic study, the new building would create about 64 extra trips, which was insignificant in comparison to the overall capacity of the road.

Mr. Brown stated that originally they only had the property on 1200 West under contract. However, when they walked the site, they discovered that the north border of their property, where the retaining wall would be located, lined up with the Northgate Village. Once the grade was brought down and the retaining wall was built, the proposed development would fit more congruently with the Northgate Village project.

Mayor Brunst asked Mr. Brown if he anticipated a lot of growth within his company. Mr. Brown replied that they were hopeful, and that their goal was to grow in Utah County. They were pushing for the 26,000 square feet because it would help facilitate a ten-year growth cycle. They were hoping to attract flexible tenants to occupy the vacant space.

Mayor Brunst commented that the building would be a great addition to the neighborhood, and would tie in well with the other buildings in the area. He liked the look and esthetic of the building.

Mayor Brunst opened the public hearing. There were no public comments, so Mayor Brunst closed the public hearing.

Mayor Brunst **moved**, by ordinance, to amend the General Plan by changing the land use designation on approximately 0.47 acres from Low Density Residential (LDR) to Regional Commercial (RC) and amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning approximately 1.83 acres of property located at 1045 North 1200 West from the PD-22 and R8 zones to the Highway Services (HS) zone. Mr. Lentz **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

6:30 P.M. PUBLIC HEARING – 2nd Quarter Budget Amendments
ORDINANCE – Amending the Current Fiscal Year 2015-2016 Budget

The Fiscal Year 2015-2016 City of Orem budget had many adjustments that occurred throughout the fiscal year. These adjustments included grants received from Federal, State, and other governmental or private entities/organizations; receipt of rental fees for use of the City's athletic fields; additional funds received for the adult flag football program due to increased participation; the debt disbursement related to the sale of a piece of property in the Northgate SID that occurred in the prior fiscal year; increased revenue and available capital project funds due to the previously approved increase to the City's storm sewer fee; and various other smaller technical corrections or minor budget adjustments that needed to be made.

The City Manager recommended the City Council hold a public hearing to discuss amending the current Fiscal Year 2015-2016 Budget and, by ordinance, amend Fiscal Year 2015-2016 Budget.

Mr. Manning explained that every quarter staff presented quarterly budget amendments to the City Council, which kept the City in good standing with regard to State auditing requirements. He then turned the time over to Mr. Nelson.

Mr. Nelson stated that he would primarily focus on revenues, so that the Council could see that there was a reason behind each one of the elements. He would also receive questions pertaining to expenditures. A large portion of the amendments made to the General Fund had to do with grants that were awarded for various projects. Small adjustments were also made for items, and in particular flag football. More teams signed up, and so more t-shirts and supplies were needed. Additional revenues were also generated from rental fees from the athletic fields. The largest amendment was in the debt service fund. In January 2015, there was a large portion of property that sold in the Northgate area; however, the bond payment was not due until November. The City collected assessments as the property was sold, or as appropriate entities were billed. Additional monies were received over and above the minimum, and those funds were then paid in November of the current fiscal year.

Mayor Brunst asked for clarification regarding the forfeitures and revenues from the Federal Treasury. Mr. Nelson explained that the Utah County Drug Task Force received funds from drug

stings, which were then sent to the Criminal and Juvenile Justice Group. Afterwards, some of the money was granted back to the City. Those funds were not used until the Utah County Drug Task Force identified a specific need.

Mr. Nelson explained that the last amendment item was the approval of the increased storm sewer fee, which would have impact on the capital projects for the current year.

Mayor Brunst opened the public hearing. There were no public comments, so Mayor Brunst closed the public hearing.

Mr. Seastrand **moved**, by ordinance, to amend the current Fiscal Year 2015-2016 Budget. Mrs. Lauret **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

RESOLUTION – Adopt the 2016 Sewer Master Plan and accept the Sewer User Rate Study

The Public Works Director recommended that the Orem City Council, by resolution, adopt the 2016 Sewer Master Plan prepared by Bowen Collins & Associates, Inc. (BCA) and accept the Sewer User Rate Study prepared by Lewis Young Robertson & Burningham, Inc (LYRB).

The Orem Water Reclamation Facility (OWRF) was constructed in 1958. Major upgrades were completed in 1984, 1994, and 2012. The OWRF treats an average of eight million gallons of sanitary sewer per day. The OWRF included 160 pumps, high-tech controls and instruments, blowers, digesters, clarifiers, back-up generators, and a recently added ultra-violet disinfection system. Following a very strict and specific permit issued by the State of Utah Division of Water Quality (DWQ), which was regulated by the USEPA Region 8, the OWRF discharges treated water to Powell Slough. The collection system consists of over 287 miles of pipe, 6,000 manholes, six lift stations, and six miles of pressurized force main.

In February 2014, the City hired BCA to perform a Sewer Master Plan. The request for engineering services was organized into 12 tasks. Some of the highlights included: develop a hydraulic model, identify existing and future needs, develop a Capital Facilities Plan, recommend a solution to the struvite problem at the OWRF, evaluate maintenance and manpower, and develop sewer rates to support the operations and capital needs of the sewer utility. Together with City staff, the Public Works Advisory Commission, the general public, and the City Council, BCA created a sewer master plan for consideration.

Recommended improvements identified by BCA included improvements to both the OWRF and the collection system totaling \$48 million (present value). Some projects were identified by specific address and others, in future years, were yet to be determined and would be constructed as the need was identified with a full condition assessment. The City sewer maintenance efforts included CCTV and inspection - about 20,000' per month. More than half of the City's sewer collection system consisted of concrete pipe that was susceptible to hydrogen sulfide gas. Lining concrete pipe prior to losing its integrity or completely failing was a measure similar to overlaying a road versus total reconstruction. The rehabilitation would extend the life of the pipeline, was about 30-40% of the cost and, in the case of sewer, would prevent a potentially disastrous event.

LYRB was subcontracted by BCA to review the existing sewer rates and provide a recommended rate schedule based on changes in forecasted expenses and capital improvements and on a pay-as-you-go basis. The primary objectives of the rate analysis were to ensure sufficient revenues to cover all operation and maintenance expenses while maintaining bond covenants, ensuring the appropriate debt service coverage ratio, and providing sufficient revenue to fund the proposed projects identified in the master plan.

A review of projected revenues under the existing rate structure relative to proposed expenses illustrated that the City would not have sufficient revenues to fund the needed capital improvements without a rate increase. The results of this master plan were the basis for a rate study that was used to establish supporting sewer rates for the City. Originally, a five-year rate increase was proposed by City staff in conjunction with BCA and LYRB. After receiving public feedback and upon the recommendation of the City Council, a pay-as-you-go funding plan over 5-, 7-, and 10-year periods, and a bonding plan, were developed.

In January 2016, the City Council adopted a plan to change the billing procedure for the sewer base rate for multi-unit residential accounts and non-residential accounts with a water meter larger than 3/4 inch. Due to the change, in the first year of all plans a rate increase was not deemed necessary.

The rate scenarios specified were structured to produce a 2026 final base rate of \$16.03 and a final volume rate of \$3.66/1,000 gallons. Scenarios 2 and 3 would fund a reduced CIP in order to allow for a more moderate annual increase in the rates. Scenarios 2 and 3 would result in an overall revenue reduction of \$2,527,838 and \$5,885,836, respectively, over the same 10-year period. The result would be a delay in completion of capital facility projects and an on-going liability for increased sewer line maintenance and potential failures. Scenario 4 included some bonding and allowed for projects to be completed within the 5-year CIP plan but would keep rates to more moderate increases.

Mr. Tschirki reported that staff had been working on the Sewer Master Plan for the past twenty to twenty-four months. Two open houses took place in August, and a large amount of information had been distributed through newsletters and social media. The Public Works Advisory Commission (PWAC) had also been involved with this process. Mr. Macdonald was previously the Council Member representative to the PWAC, and Mr. Spencer now represented the Council in this capacity.

Mayor Brunst asked if the PWAC meetings were public, to which Mr. Tschirki answered affirmatively. The meetings were held every 3rd Tuesday at 7:00 a.m. at the Public Works building. The meetings were a great opportunity for the public to become familiarized with the Public Works Department. He then turned the time over to Mr. Winterton.

Mr. Winterton stated that they wanted the Sewer Master Plan to be approved, and have the Council recommend a financial plan moving forward. Last month, the storm water utility was discussed as an invisible utility. He noted that Lawrence Burton was the Department's Water Reclamation Section Manager, and had worked for the City of Orem for thirty-two years and eight months. The Department's Field Supervisors had each worked for thirty-six years and thirty-one years of experience, respectively. Collectively, the team had a vast knowledge of water reclamation. Mr. Winterton stated that beneath the streets, buried close to twenty feet

underground, were the City's sewer pipes that carried and conveyed sewer to the treatment plant. When it came to basic water needs, citizens expected a reliable service, clean water, and a resource that was both available and endless. Mr. Winterton commented that the sewer was often taken for granted.

Mr. Winterton presented a picture of the City's reclamation facility, which was taken from a drone. The photo displayed four primary clarifiers, the four secondary clarifiers, and the race tracks. He then showed a simplified graphic of how the sewer system worked. The Orem Water Reclamation Facility (OWRF) was built in 1958, which was previously operated on a septic system that discharged at a central location near 800 South, west of Utah Valley University. The facility processed 2.8 billion gallons per year, which was just less than eight million gallons per day. Mr. Winterton emphasized that the flow never stopped. Ultimately, discharge took place at Powell Slough, which was conveyed through a collection system that was made up of 287 miles of pipe and over 6,000 manholes. The majority of sewerage was conveyed through an eight-inch pipe, though there were many pipes of different sizes as well. The purpose of the Master Plan was to look at potentially existing deficiencies and take preventive measures for future deficiencies as well. It was a working document, because Orem was a City that changed every day.

Mr. Winterton stated that peak flow at build out was about thirteen million gallons per day, which did not include infiltration. The plant was designed for about 13.5 million gallons per day. They were actively promoting conservation efforts within the City of Orem, which would improve the process. Mr. Winterton noted that, ideally, they liked the pipes to be about half full at capacity, and problems existed when capacity was exceeded. As the City approached peak flow conditions at build out, they would determine whether or not improvements were needed. Maintenance areas included settling pipes, tilting manholes, or too little flow in a pipe. Proposed maintenance projects were prioritized on a weekly, biweekly, monthly, or quarterly schedule. Further prioritization took place depending on funding availability.

Mayor Brunst asked what would happen to maintenance areas if project funding was unavailable. Mr. Winterton replied that maintenance areas would continue to increase and require cleaning and servicing more often. JetVac trucks, which were large trucks, used high pressure (similar to a carwash) on a reverse mushroom nozzle that went up the line. Whatever was scoured and cleaned out was sucked up through the manhole and hauled off, so that it did not flow downstream and cause more problems. The nozzle stretched as far as 1000 feet. Manholes were spaced between 400 to 600 feet, and sometimes up to 1000 feet apart. Manholes were less effective the farther away that they were spaced.

Mr. Winterton explained that when the sewer did not travel as fast, or had intermittent flow from a lift station, hydrogen sulfide gas could be generated. Over 50 percent of the City's system was concrete pipe, which was a bad combination with hydrogen sulfide gas. Staff was proposing a plan to line those pipes with an inert pipe lining that had no reaction to hydrogen sulfide gas. If they could get ahead of complete failure on the pipes, then they could rehabilitate the conveyance systems for about thirty or forty percent of what it would cost the City if they waited and had to do an open cut down through the roadway. If they lined the pipes now, it would be hardly noticeable to the residents.

Mr. Seastrand asked how long the lining would last. Mr. Winterton said between 75 to 100 years.

The technology was not to the point where the first liners had worn out. He noted that concrete pipe in a sewer environment lasted about 50 years.

Mr. Sumner asked if by installing new lining they would not have to replace any pipes. Mr. Winterton explained that they hoped to catch the degradation of concrete pipe while they still had a host carrier pipe. The liner was fiberglass and resin that was moldable and flexible. Once the lining was heated, it was molded into a new pipe inside the existing pipe. If the existing pipe was already badly degraded, then it needed to be dug out and replaced. In a worst case scenario, sewer lines might even collapse. In response to a question from Mr. Sumner, Mr. Winterton explained that this was not new technology, but when the patent ran out in 2005 the product became more competitively priced.

Mr. Winterton explained that they had identified future system improvements. He presented a map of the planning and development of the collection system, and pointed out that only the first seven had been identified through 2026. Continued monitoring would take place to determine the exact time that those projects would be needed. The SS1, otherwise known as the Carterville Forced Main Relocation Project, needed to happen because of its location. The SS1 would be in conjunction with a Bus Rapid Transit project. The SS2, which was the Spring Water lift station, had also served its useful life and a new lift station was needed. The project would cost around \$1.5 million. The most recent lift station was the Geneva Road station, which was built about five or six years ago and cost around \$1.2 million.

Mr. Winterton stated that a plan was created in order to fund the Sewer Master Plan, which was available to review online. He presented a bar graph, which showed their desired funding level in comparison to their present funding. The graph also showed what would happen if nothing was done. They had presented rates that reflected the desired CIP funding, and based on the Council's feedback staff had developed 5-year, 7-year, 10-year, and bonding options. The graph also took into account fleet replacement. Mr. Tschirki noted that the JetVac trucks cost \$400,000 apiece and Orem City owned three of them, as well as other vehicles that were used to maintain the system.

Mr. Tschirki stated that two years ago Steve Weber worked on a fleet maintenance project, where he identified every single licensed vehicle that was owned by the City of Orem. On an average annual basis, it cost approximately \$400,000 per year for vehicle replacement. The City owned several pieces of equipment which each cost a few hundred thousand dollars. In looking ahead, they had developed a pay-as-you-go plan in order to maintain and/or replace the City's vehicles.

Mr. Winterton presented a graphic of how monthly increases would affect sewer bills. Staff recognized that this would be an increased bill to the residents of Orem, and staff and elected officials were sympathetic to this reality. As such, they were directed to develop alternatives. Mr. Winterton stated that the proposed plan did not put them above average in comparison to other cities in the County and throughout the State. Nevertheless, they had presented the projects and the need for this CIP funding. The benchmark was the 5-year implementation, and if this was stretched to seven years, the City would lose \$2.5 million of available project money. If stretched to a 10-year implementation plan, the City would lose \$5.9 million of available funding. The bond would be forced to be revenue neutral. Tonight, staff was seeking the Council's recommendation for upcoming years. In 2018, staff would present a recommendation based on

the City's needs at that time. In 2019, staff would report back to the Council and seek approval, and projects would be reported each subsequent year thereafter.

Mr. Winterton then presented a summary of all of the projects over the next ten years, totaling \$49 million. He explained that the City had two fees to fund these projects; the base rate fee and consumption fee. The billing method for the sewer base rate fee changed in January 2016 to include all units. Staff was not recommending a change in the coming budget years of 2017 and 2018. The sewer volume charge was based on per thousand gallons, and no changes were being recommended for 2017.

Mr. Tschirki mentioned that this was a self-funded enterprise fund. Similar to all other enterprise funds, it was funded through fees and charges that were assessed. Taxes were not charged for these funds. Other services such as attorney fees, accounting, utility/billing, engineering, etc. were also paid internally by way of fees that had been collected.

Mayor Brunst asked how the bonding rate scenario would work. Mr. Winterton presented a slide which summarized the monthly bill increase for each scenario. A 2018 sewer bond would have a principal balance of \$4.5 million, and an interest payment of \$2.3 million. The annual payment would be approximately \$340,000 for a twenty year note. In 2021, the proposed bond amount would have a \$7.5 million principal, with a \$3.8 million interest payment and an annual payment of \$566,000 on a twenty year note. In the first ten years they would be building these projects, and in the subsequent ten years they would continue to pay for those projects.

Mr. Seastrand asked how the annual payment broke down on a monthly basis per home. Mr. Winterton answered that he did not have that figure readily available. The Council made some rough calculations and determined that it would cost each home around \$1.00 to \$2.50 each month.

Mr. Lentz asked if they would be able to tie the rates to inflation without any additional increases, so that the net effect to the homeowner would be insignificant. Mr. Seastrand added that once the rate was met, no additional capital improvement bonding would be needed. Mr. Winterton affirmed that Mr. Lentz and Mr. Seastrand correctly summarized the implications of the bonding proposal.

Mrs. Lauret inquired on the lifespan of the projects, should they decide to proceed with bonding. Mr. Winterton answered that the proposed rehabilitation projects would have a fifty- to seventy-five year lifespan.

Mr. Sumner stated that they recently passed the door rate, and made additional calculations based on the information that had been presented. Mr. Winterton clarified that the information presented was a straight volume charge for a single family home.

Mr. Spencer inquired as to what the best option would be in the event of an economic downturn. Mr. Tschirki answered that the least impact to the individual single-family home owner would be to bond over a ten year period, as it would have the least monthly impact. There was further review of the graph that was previously shown.

Mr. Lentz commended the Public Works Department, BCA, the PWAC, and members of staff, for all the time and effort that they had invested into this effort. He was appreciative of their mindfulness in being responsible and accountable to the citizens of Orem, so that these projects could be done in a cost-effective and proactive way. He quoted Henry Ford, who stated: "If you need a machine and you don't buy it, you'll soon find that you paid for it, but don't have it." Mr. Lentz stated that he did not want this to happen in Orem because they did not devote the proper funds to make the necessary improvements. This was not the first time that the City had had this discussion; however, unfortunately, the last time a decision was made in 1998, they did not stick to the original plan. Not only did the Council want to make the resolution whether or not to accept the Sewer Master Plan, but to also indicate to the Public Works Department which path they would like to go down. Mr. Lentz asked the audience what approach they would take to try and meet these needs proactively. He opined that the bonding scenario was a hybrid approach that not only maintained a low impact on single-family households, but also provided the funding mechanism that was needed for the projects. His recommendation was to pursue the bonding approach.

Mr. Macdonald clarified that the discussion was not a public hearing. He stated that there did not seem to be a compelling reason to bond because the estimated cost of increase would be so much greater than the current interest costs. However, it seemed that the anticipated inflation rate was not any higher than the anticipated interest rate. Mr. Larson replied that there were some costs associated with bonding.

Mr. Macdonald stated that the fact that Orem was the lowest rate in the area was not good news. Rather, it meant that they had delayed necessary improvements for too long. He had heard this presentation for the past two years, and as a Council they had heard multiple reports as well. He believed that they needed to increase the price of sewer and other critical services so that problems did not occur in the future. He was of the opinion that they could opt for a pay-as-you-go scenario, rather than a bonding situation, and was favorable to a 7-year plan. Mr. Macdonald stated that this plan had been well prepared and he had great confidence in those who had put it together.

Mayor Brunst commended Mr. Macdonald for his work on the PWAC.

Mr. Seastrand stated that Orem City benefited greatly by being prepared and having plans in place. When the opportunity arose, the City was able to get a 0% interest loan and capitalize on that advantage. He commended the effort and energy of those who had been involved to solve problems in the City. Mr. Seastrand recognized that plans could have variable changes; therefore, flexibility was required when executing a plan. He was in favor of holding off on bonding, and felt that a 7-year plan would be the best option. There were multiple factors when deciding whether or not bonding was the appropriate option.

Mr. Sumner also thanked those who were involved with all of the diligent study and work that went into developing the Sewer Master Plan. He inquired as to what the general public response was at community open houses, and whether or not there had been any pushback while information had been available on the City's website.

Mr. Tschirki replied that it had been a very educational process, and they had taken their time sending out multiple mailings and holding several meetings. Some residents supported a more aggressive plan, while others preferred less aggressive approaches. Overall, there had been

widespread support in moving forward, and Mr. Tschirki felt that it had been a very well devised and engineered plan. The primary concerns that had been expressed through online feedback pertained to how quickly the process would move forward. While there had been some pushback from a small portion of the community regarding sewer base rate changes, he had not personally received any calls pertaining to the Sewer Master Plan. Mr. Winterton added that he had received an equal amount of both positive and negative feedback.

Mr. Spencer explained that his opinion had varied throughout the discussions that had taken place on this issue. While he was not opposed to bonding, he did not believe that this was the appropriate time and place to pursue bonding. His opinion reflected what Mr. Macdonald and Mr. Seastrand had expressed, in that he was also in favor of a 7-year plan.

Mayor Brunst remarked that he appreciated the comments that had been made from each of the Council Members. He then proceeded to again review the calculations that had been presented and deliberated upon throughout the discussion. Mayor Brunst stated that he personally believed that there would be more “bang for the buck” in the 5-year plan.

Mr. Lentz stated that he wanted to provide context for his support for the hybrid bonding model. The pay-as-you-go option was his first choice, for many of the same reasons that were outlined by Mr. Macdonald. However, while campaigning this year, several senior citizens suggested to him that bonding would be a more fair way of assessing the costs. He viewed the hybrid approach as a compromise that would limit the amount of interest that was paid, but would still help ensure that those benefitting from the infrastructure and facilities would be the ones paying for it. He was not saying he could never support the 5- or 7-year model; but, he felt that the hybrid approach would generate the best “bang for the buck”.

Mayor Brunst asked the Council to consider the best way for funding the necessary infrastructure, while helping to reduce the financial burden to the citizens. They needed to consider the implications of all options.

Mr. Seastrand stated that there was flexibility in terms of when some of the repairs could be made. The proposal of a 10-year plan provided some indication that they could accomplish what was needed over that time period. He asked if this was a fair assumption, to which Mr. Winterton answered that this was more so the case with the sewer utility than the water utility. Mr. Seastrand explained that taking an additional \$5 million out of the pockets of the residents was hard to justify. He stressed that they were using the citizens’ money to pay for this infrastructure, and so they needed to spend effectively and efficiently, so that the job got done appropriately.

Mr. Macdonald explained that as per his calculations, they would be looking at approximately \$55 million in the 5-year plan over the ten years. Mr. Larson explained that it would be \$49 million in today’s dollars. Mr. Macdonald stated that it was more important to look at the accumulative bill rather than the monthly increase. He opined that the 7-year plan would be more palatable for the people, and he was more supportive of a pay-as-you-go, rather than bonding approach.

Mr. Lentz inquired about the \$2.5 million difference in CIP funds that were available. He made reference to a slide that was presented earlier, which showed routine maintenance. He wondered if the additional maintenance operations could cost more than \$2.5 million, by not having upgraded infrastructure. Mr. Tschirki responded that this could be a possibility, depending on the

integrity of the pipes. If the pipes were not structurally stable, then they would have to openly excavate them. Mr. Lentz stated that he was concerned about not investing in infrastructure and taking those risks.

Mr. Winterton explained that the City conducted CCTV inspections on 20,000 feet of sewer line per month, and got through the entire City every seven years. Staff wanted to contract for a conditional assessment and use upgraded technology to do a blitz on the system. Funding was not currently available for this project, but it would take place first in order to better define a hydrogen sulfide replacement program. This would shift around projects in order of importance within a 7-year plan.

Mr. Lentz stated that upgrading the infrastructure could last for several more decades. He was concerned that if they stretched operational costs out too long, they would end up costing the City more in the long run.

Mr. Spencer stated that he was anticipating an economic downturn, and in a recent conversation with Mr. Manning, they discussed that the best time to bond was in an economic downturn. With that in mind, Mr. Spencer felt that they needed to move at a slower pace and that the 7-year plan was the best option with which to start. He was nervous about the future, and suggested that they stay the course and be conservative.

Mrs. Lauret commented that she had been studying this item for a few months and was also leaning toward the 7-year plan, with the option to bond in a year or two if the market was right. Bonding was always appealing because the costs were spread out, and it was usually the cheapest way to go. However, she liked the idea of waiting to see what would happen economically.

Mr. Sumner added that he was also in favor of the 7-year plan, which would cause the City to better prioritize projects. Mr. Winterton responded that any of the plans would cause the City to prioritize needs based on funding availability. For a lot of senior citizens, a few dollars made a huge difference in their monthly bill.

Mr. Seastrand expressed appreciation for Mr. Wright's comments earlier in the meeting. He clarified they were not increasing or approving any rates tonight. Tonight they had the opportunity to review the plan that was created by Staff, BCA and the PWAC and to accept so doing the plan. By accepting the plan, it now became a significant part of the public record. Furthermore, the Council was giving a recommendation on the planning that they would like the group to anticipate and plan for in the future.

Mr. Wright expressed appreciation for the comments from the Council, and indicated that he did not approve of a bonding option. He wondered if the increased rates would remain the same after the infrastructure was fully built out, or if they would be reduced again. He emphasized that he was concerned for the citizens' point of view.

Mr. Tschirki stated that the goal was to reach a sustainable line, as the City had not been keeping up with repairs and maintenance as had been needed. Mr. Macdonald remarked that the same discussions had taken place in 1998. There was further deliberation upon the matter.

Mayor Brunst **moved**, by resolution, to adopt the 2016 Sewer Master Plan and accept the Sewer User Rate Study and recommended the 7-year plan while keeping the door open for a bonding option. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

COMMUNICATION ITEMS

There were no Communication Items.

CITY MANAGER INFORMATION ITEMS

There were no City Manager Information Items.

ADJOURNMENT

Mr. Seastrand **moved** to adjourn to the meeting. Mrs. Lauret **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

The meeting adjourned at 7:52 p.m.

Donna R. Weaver, City Recorder

Approved: March 29, 2016